

## BILL ANALYSIS

Department, Board, Or Commission	Author	Bill Number
<b>Franchise Tax Board</b>	Eng, et al.	<b>AB 172</b>

### SUBJECT

State Agencies Post Specified Audits & Contracts To The Reporting Transparency In Government Internet Web Site

### SUMMARY

This bill would require state agencies to post certain reports on the Reporting Transparency in Government Web site.

### PURPOSE OF BILL

The legislative intent language of this bill indicates the purpose is to continue the Legislature's commitment to promoting transparency in state government.

### EFFECTIVE/OPERATIVE DATE

This bill would be effective January 1, 2012. The operative dates of the various provisions are different and will be discussed separately in this analysis.

### ANALYSIS

#### STATE LAW

Executive Order S-08-09 ordered state agencies and departments to post to the Reporting Transparency in Government Web site audits of their operations performed by outside entities dating back to January 1, 2008. Additionally, agencies must post financial and programmatic audits that they and other departments have done on their own operations and audits they have performed on other governmental entities dating back to January 1, 2008.

Executive Order S-20-09 requires posting to the Reporting Transparency in Government Web site for the following items:

- Program reviews
- Monitoring, and accountability reports
- Evaluations
- Inspections
- Assessments and studies of operations

Documents are to be posted within five working days of finalization.

Anne Maitland, FTB Contact Person (916) 845-6333 (Office)	Executive Officer Selvi Stanislaus	Date 09/13/11
--	---------------------------------------	------------------

Existing state law prohibits the disclosure of any taxpayer information, except as specifically authorized by statute. Generally, disclosure is authorized to other state tax agencies, federal tax agencies, and the Multistate Tax Commission solely for tax administration purposes. Additionally, the Franchise Tax Board is authorized to publish statistical data related to taxpayer information so long as no individually identifiable information is revealed. Unauthorized disclosure of state tax information is a misdemeanor and unauthorized disclosure of federal tax information is a felony.

Each state agency is responsible for its own services acquisitions program. This responsibility includes ensuring the necessity of the services, securing appropriate funding, complying with laws and policies, writing the contract in a manner that safeguards the state's interests, and obtaining required approvals. State agencies use contracts, purchase orders, interagency agreements, and memorandums of understanding to implement services acquisition programs.

### THIS BILL

This bill would require a state agency to post to the State's Reporting Transparency in Government Web site the following:

1. On or before February 15, 2010, Operations audits as defined, conducted by the agency itself or another agency finalized between January 1, 2009, and December 31, 2011, shall be posted. For reports finalized on or after January 1, 2012, posts must be done within 15 calendar days of finalization. The reports are to be available on the Web site for three years.
2. On or before February 15, 2012, the Department of General Services (DGS) and the California Technology Agency (CTA) will post summary data, as defined, regarding any contract awarded by the state on or after March 31, 2010, valued at \$5,000 or more. The contact data is to be available on the Web site for the length of the contract.
3. Within 15 calendar day of signing by all parties to the contract, a state agency must post summary data regarding any contract it awarded on or after January 1, 2012, valued at \$5,000 or more, within 15 calendar days of signing by all parties to the contract. The contact data is to be available on the Web site for the length of the contract.

The DGS and the CTA are required to assist a state agency to comply with these requirements. The Reporting Transparency in Government Web site will only be available online until the Financial Information System for California (FISCAL) Web site becomes available.

### **LEGISLATIVE HISTORY**

AB 1194 (Strickland, 2009/2010) would have required a state agency to develop a publicly accessible Web site containing specified information detailing expenditures by that agency of state funds. This bill would have required the Web site to be available by July, 2010, and be updated monthly. This bill failed to pass out of the Assembly Business and Professions committee by the constitutional deadline.

AB 1899 (Eng, 2009/2010) contained the same provisions as this bill. AB 1899 was vetoed by Governor Schwarzenegger, who stated in his veto message the bill was unnecessary due to executive orders in place.

SB 502 (Walters, 2009/2010) would have required a state agency to develop a publicly accessible Web site containing specified information detailing expenditures by that agency of state funds. This bill would have required the Web site to be available January 1, 2010, and updated annually. This bill failed to pass out of the Senate Governmental Organization committee by the constitutional deadline.

SB 719 (Huff, et al., 2009/2010) would have required a state agency to develop a publicly accessible Web site containing specified information detailing expenditures by that agency of state funds. This bill failed to pass out of the Senate Appropriations committee by the constitutional deadline.

SB 1494 (McClintock, 2007/2008) would have required a state agency to develop a publicly accessible Web site containing specified information detailing expenditures by that agency of state funds. This bill would have required the Web site to be available by July 1, 2009, and be updated annually. This bill failed to pass out of the Senate Appropriations committee by the constitutional deadline.

## **FISCAL IMPACT**

This bill would not impact the department's costs.

## **ECONOMIC IMPACT**

This bill would not impact state income tax revenues.

## **APPOINTMENTS**

None.

## **SUPPORT/OPPOSITION<sup>1</sup>**

Support: Service Employees International Union (SEIU) Local 1000, American Federation of State, County, and Municipal Employees (AFSCME), Californians Aware, California Labor Federation, AFL-CIO, California State Employees Association, Professional Engineers in California Government

Opposition: None on file.

---

<sup>1</sup> As reported by the Senate Floor Analysis dated July 13, 2011 at [http://www.leginfo.ca.gov/pub/11-12/bill/asm/ab\\_0151-0200/ab\\_172\\_cfa\\_20110713\\_131100\\_sen\\_floor.html](http://www.leginfo.ca.gov/pub/11-12/bill/asm/ab_0151-0200/ab_172_cfa_20110713_131100_sen_floor.html) [as of September 2, 2011].

**VOTES**

Concurrence	09/09/11	Y: 54	N: 25
Assembly Floor	06/01/11	Y: 53	N: 23
Senate Floor	09/08/11	Y: 27	N: 13

**LEGISLATIVE STAFF CONTACT****Contact**

Anna Caballero, Agency Secretary, SCSA  
Christine J. Lally, Deputy Secretary, Legislative Affairs, SCSA  
Selvi Stanislaus, Department Director  
Patrice Gau-Johnson, Asst. Legislative Director

**Work**

916-653-3358  
916-653-2656  
916-845-4543  
916-845-5521